98-84326-20

Clay, Cassius Marcellus

Two papers

[Louisville? Ky.]

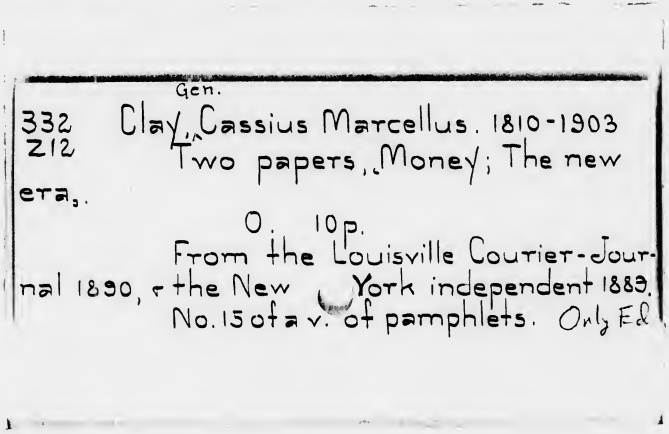
[1890]

98-84326-20
MASTER NEGATIVE #

COLUMBIA UNIVERSITY LIBRARIES
PRESERVATION DIVISION

BIBLIOGRAPHIC MICROFORM TARGET

ORIGINAL MATERIAL AS FILMED - EXISTING BIBLIOGRAPHIC RECORD


Gen.
332 Clay, Cassius Marcellus. 1810-1903
Z12 Two papers, Money; The new
era,.
O. 10p.
From the Louisville Courier-Journal 1890, & the New York independent 1889.
No. 15 of a v. of pamphlets. Only Ed

RESTRICTIONS ON USE: Reproductions may not be made without permission from Columbia University Libraries.

TECHNICAL MICROFORM DATA

FILM SIZE: 35mm REDUCTION RATIO: 10:1 IMAGE PLACEMENT: IA (IIA) IB IIB

DATE FILMED: 2/5/98 INITIALS: F.C.

TRACKING # : 30510

FILMED BY PRESERVATION RESOURCES, BETHLEHEM, PA.

332.4
332
Z12 No. 15.

TWO PAPERS

BY

CASSIUS MARCELLUS CLAY.

Columbia College
Library
From
Dr. Clay.

Whitehall:
1890.
By Dr. Clay.

(*Courier-Journal.*)

THE FILSON CLUB.

GEN. CASSIUS M. CLAY READS A PAPER ON MONEY—A CHAMPION OF SILVER.

At the last meeting of the Filson Club, a short article on money, by the Hon. Cassius M. Clay, was read. As this subject is now attracting the great powers who have demonetized silver, it may be of interest to readers outside of the club. The following is the article which has been furnished by the club for publication in the *Courier-Journal:*

MONEY.

Paper written by Gen. Cassius M. Clay, and read before the Filson Club, Louisville, at its last meeting, March 4, 1890.

GOLD, SILVER, AND COPPER.

These three metals have for ages been used by the world as money because of the estimation of their intrinsic value, and because they are best suited for coinage on account of their ductility, freedom from rust, injury from acids, etc.

These metals would probably be the mediums of exchange all the same if there was no money in the

world. By money, I mean what the State makes legal tender in the payment of taxes and debts between individuals. All that governments can do, then, legitimately is to take these great commercial metals, and weigh and stamp them to facilitate exchanges. The State cannot—none but God can—make a dollar. The relative value of these metals is determined by the common laws of supply and demand. The only influence law can have upon the value of these metals is the enhanced value which the demand for money-purposes gives them. Paper-money is legitimate only so far as it represents the metals. In itself it has not, nor can by law be made to have, any real value.

All money, therefore, should be equal in value, else somebody is cheated. The State in weighing the metals stamps them for the purposes of commerce. She goes further: she decides their relative value also as that one grain of gold is worth sixteen grains of silver. When commercial laws change the relative values of the metals the State should, at proper intervals, so declare their relative value.

Paper-money has been a necessity of modern commerce. Instead of carrying the heavy metals to distant States, paper payable at those respective places on their face demandable in coin or bullion is eminently useful. The State should, therefore, supply this so-called money. This can best be done by issuing silver, gold, or treasury notes or certificates upon the coin or bullion deposited in the State's treasury.

Bimetallism, trimetallism, and monometallism depend upon simple principles. The same laws of money and commercial rules which govern gold,

govern all three of these metals. If one is useful, all are useful. To attempt to change their values or use by arbitrary laws is a fraud and cheat upon somebody,—either the creditor or the debtor. The small value of copper excludes it from the equal privileges of gold and silver. In fact, it is useful more as an alloy than as a distinct metal.

Let us then consider only gold and silver as mediums of exchange or legal money. As gold and silver are the representatives of other values, as well as values in themselves, there is no reason why one should be made money and the other not. If all the money of the State consisted of gold and silver of equal aggregate value—and one or the other was demonetized—the debtor class would be cheated in an indefinite sum, approximating one-half of their debts. Neither, then, should be ignored, but both kept as equal mediums of exchange and payment of taxes and debts.

Silver is, and has always been, and is likely to be, the coin of the greatest use by mankind. Whilst the commercial demand for both metals is about equal, it has superior claims as coin. It is a more convenient dollar than the gold dollar. Its fractions of a dollar are more convenient than those of a gold dollar.

It is the interest of the United States to use silver on equal terms with gold, because we are a great producer of silver from the mines, and the demand for coin increases its value and adds to our wealth.

England and Germany have demonetized silver, and are threatened with revolution because they have thus defrauded and impoverished the people. We demonetized silver, and it fell in value from par, 100,

to 72 cents on the dollar. In France silver stands at 15½ grains of silver to one of gold. France uses the most silver in the arts of all the world, and maintains its legal tender successfully.

Silver conventions of the nations are absurd. Can we persuade France to agree to give sixteen grains of silver for one of gold when she can sell a silver dollar at the rates of fifteen and a half grains for one of gold?

The United States must regulate the relative values of gold and silver for the United States, and let France manage her own money.

Money of the United States should be gold, silver, and paper of equal values and unlimited coinage. If England and Germany bring their silver here for coinage, all the better for us. But I venture to predict that in such cases both of these governments would restore silver at once to its former coequal rank in the moneys of the world.

Gold and silver certificates should then be issued for all individual coin in bulk on deposit in the Treasury, payable at the option of the Secretary of the Treasury, in either metal. Thus the whole question is solved, and the world has an honest, equal currency of gold and silver and paper. Such legitimate swell of the currency would induce a commercial prosperity unknown before in our history.

These principles are well proven by the experience of Kentucky. In the third decade of the century sprang up the Old and New Court parties.

The paper-money-cranks passed a law making State Treasury notes, or "Commonwealth money" (fiat money), a legal tender. This the old court decided unconstitutional. As the court held office

during good behavior, the cranks, as they could not remove the judges, "knocked the seat from under them," abolished the court, and made a new court and judges.

The upshot was that the paper-money, having no metal-basis of redemption, rapidly fell in value. No man would loan gold and silver or sell property on credit to be paid in depreciated currency. The result was that gold and silver disappeared from all business. The paper-money ran down to forty cents on the dollar, and universal bankruptcy threatened the State and the people. There was such a political fight as was never seen before nor since.

The cranks were put out of power,—the old court and currency restored. Then the good old commonwealth righted up and regained her former prosperity.

WHITE HALL, February, 1890.

(*New York Independent*, April 25, 1889.)

WASHINGTON.

THE NEW ERA.

BY CASSIUS MARCELLUS CLAY.

WHETHER the flora and fauna are the special creations of Deity, or the result of the general laws of Nature, has ceased to be a question of philosophic importance, under the admitted facts of evolution.

The highest upheaval of the earth's crust in the Himalayan Mountains in and about China indicates one of the earliest habitats of man. There were, no doubt, many other nuclei, as the Caucasus in Western Asia, the central mountains of Africa, the Highlands of Mexico and Toluca, and many other elevated regions of the world.

The civilization of China passed westward through India, Persia, Judea, Syria, Arabia, Phœnicia, Egypt, Etruria, Carthage, Greece, Rome, Gaul, and other countries, and was finally borne still westward by the Norman Conquest of 1066 into the British Isles. Here the feeble growth of constitutional and representative germs of Greece and Rome and elsewhere ripened into permanent life,—law and order being the bases of all liberty. And with freedom arose orators, poets, scientists, historians, and statesmen, such as the world had not before seen.

Once more the star of empire moved westward, and in America, Washington and his compeers formed a nation with fixed constitutional law and the widest representation of the people.

One hundred years ago, April 30, 1789, the new era began; and in this hundred man has progressed more than in any ten hundred years before.

"Whom the gods love die young," was a heathen apothegm. The idea was the offshoot of egoism and hero-worship. Then the people were but the frame for the one great figure; and the hero for his own grandeur must fall with all the unfading flowers and fruit of life.

There had been "before Troy great warriors," and other men had founded empires; it remained for Washington to acknowledge and establish the people as the only sovereign.

Out of this idea sprang new vitality in man's progress and happiness, and an advanced field of human evolution,—"A government of the People, by the People, for the People." And as Washington represented the old ideas of autocracy and aristocracy to some extent, so now a Lincoln was possible.

Other men had fought for conquest and national supremacy; there remained for our times the greatest battle of history, when we laid down our lives for the rights of others,—for *justice*.

In his eulogy upon Story, Daniel Webster said:

"Justice, sir, is the great interest of man on earth. It is the ligament which holds civilized beings and civilized nations together. Wherever her temple stands, and so long as it is duly honored, there is a foundation for social security, general happiness, and the improvement and progress of our race. And whoever labors on this edifice with usefulness and distinction, whoever clears its foundations, strengthens its pillars, adorns its entablatures, or contributes to raise its august dome still higher in the skies, connects himself, in name and fame and character, with that which is and must be as durable as the frame of human society."

And they only shall live in the memory of men who were *just*. And not those who "die young" shall be deemed favorites of the gods, but they who, with self-sacrifice and fortitude, live out the normal years of man in obedience to God, and for the happiness of the race.

That veteran statesman and patriot, W. D. Kelley, lately said to me:

"Shakespeare and Lincoln are the greatest creations of God. There is no want of great statesmen and warriors in the world's history; but Lincoln was a greater statesman than all his statesmen, and a greater warrior than all his warriors, and was, therefore, the greatest man of our times."

Lincoln was of a rough but manly physique, with the gentle sentiments of a child. With great courage and an iron will in the discharge of duty, he was, in mercy, as flexible as the sensitive plant. Honesty, common sense, justice, and love of country and humanity were the bases of his character. A great thinker, logician, and orator,—many-sided in actual life, as was Shakespeare in the ideal,—he was first in all things.

Standing always in the shadow of the Omnipotent One, here was his only leader, and he issued (when being in great doubt) the immortal proclamation of liberty to all, on the 22d of September, 1862, when, by the battle of Antietam, as he deduced from his aspiration and vow, the Divine Will was indicated.

Having established the Declaration of 1776,—"All men are entitled to Life, Liberty, and the pursuit of Happiness,"—he sealed his work with his blood, and was thus consecrated in the love and memory of the human race forever. I repeat this sentiment of my address before the Alumni of Yale University in 1887: "In all revolutions heroes were made; but highest in the temple of fame stands immortal the name of Lincoln." Thus civilization having passed from the Orient westward, the circuit is complete. We look from the Pacific shores upon Russia, Corea, China, Japan, Australia, and the Isles of the great ocean. Armed with the moral, intellectual, and physical forces of mind and matter, we stand the "survival of the fittest,"—*the great Republic.*

Let us be true to our destiny, and live not for ourselves only, but others as well, using no longer the sword for conquest, but for *justice,* in obedience to God and for the happiness of mankind.

WHITE HALL, KENTUCKY.

MSH 30510

END OF
TITLE